

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS – Chairman
BOYD DUNN
SANDRA D. KENNEDY
JUSTIN OLSON
LEA MÁRQUEZ PETERSON

IN THE MATTER OF THE APPLICATION OF
SOUTHWEST GAS CORPORATION FOR THE
ESTABLISHMENT OF JUST AND REASONABLE
RATES AND CHARGES DESIGNED TO REALIZE
A REASONABLE RATE OF RETURN ON THE
FAIR VALUE OF THE PROPERTIES OF
SOUTHWEST GAS CORPORATION DEVOTED
TO ITS ARIZONA OPERATIONS

DOCKET NO. G-01551A-19-0055

PROCEDURAL ORDER
(Sets Additional Public
Comment Meetings)

BY THE COMMISSION:

On March 18, 2019, Southwest Gas Corporation ("SWG" or "Company") filed a Notice of Intent to File a Rate Case Application with the Arizona Corporation Commission ("Commission") advising the Commission that the Company would be filing a rate case application on or about May 1, 2019.

On May 1, 2019, SWG filed its application for an increase in rates for utility service provided in Arizona, which was amended on October 24, 2019.

Intervention in this matter has been granted to the Residential Utility Consumer Office ("RUCO"), Richard Gayer, Arizona Grain, Inc. ("Arizona Grain"), NatureSweet USA, LLC ("NatureSweet"), and the City of Bullhead City ("Bullhead City").

On June 30, 2020, the hearing was convened as scheduled, with SWG, Arizona Grain, RUCO, and Staff appearing through counsel.¹ At the conclusion of the hearing, the matter was taken under advisement pending the submission of closing briefs and final schedules.²

On August 31, 2020, SWG,³ Arizona Grain, RUCO, and Staff filed their respective Closing Briefs.

¹ NatureSweet and Bullhead City were excused from participating in the hearing. Mr. Gayer did not enter an appearance.

² The hearing concluded on July 10, 2020.

³ SWG's closing brief was filed after the Commission's regular business hours, and was therefore not docketed until September 1, 2020.

Also on August 31, 2020, SWG,⁴ RUCO,⁵ and Staff filed their respective Final Schedules.

On September 9, 2020, RUCO filed its Final Schedules pertaining to cost of capital.

On September 14, 2020, SWG, Arizona Grain, RUCO, and Staff filed their respective Reply Briefs.

Additional Public Comment

At the Commission's scheduled Open Meeting on October 13, 2020, the Commission directed that two additional telephonic public comment meetings be held to accept further oral comments on this matter, with specific direction that the public comment meetings be scheduled for times outside of the Commission's regular business hours, with at least one meeting occurring on a Saturday.

Consistent with the Commission's direction, it is reasonable and appropriate to schedule two additional telephonic public comment meetings, and to require SWG to provide public notice of those meetings through publication and prominent postings on its website and social media platforms.

IT IS THEREFORE ORDERED that the following **telephonic public comment meetings** shall be held by the Commission:

Date	Time
Monday, November 9 , 2020	6:00 p.m. to 8:30 p.m., or until the last caller is finished speaking, whichever comes first
Saturday, November 14 , 2020	10:00 a.m. to 12:30 p.m., or until the last caller is finished speaking, whichever comes first

IT IS FURTHER ORDERED that members of the public may participate in the telephonic public comment meetings by calling **1 (866) 705-2554** and entering the code **241497#**.

IT IS FURTHER ORDERED that the **telephone line** for each telephonic public comment meeting shall be **opened no later than 30 minutes before** the start time for the meeting, to allow callers to get into the queue to speak.

IT IS FURTHER ORDERED that a **three-minute time limit shall be imposed for each speaker**, although that time may be extended by the presiding Administrative Law Judge ("ALJ") to clarify or obtain additional information from the speaker or to accommodate Spanish interpretation.

⁴ SWG's final schedules were filed after the Commission's regular business hours, and were therefore not docketed until September 1, 2020.

⁵ RUCO's filing indicated that its final schedules pertaining to cost of capital would be filed on September 4, 2020, due to the hospitalization of its cost of capital witness.

IT IS FURTHER ORDERED that members of the public are **encouraged to use landline telephones** to call into the telephonic public comment meetings, as mobile telephones do not consistently provide adequate audio quality to permit the verbatim transcription of telephonic speech.⁶

IT IS FURTHER ORDERED that **Southwest Gas Corporation shall provide public notice of the additional public comment meetings in this matter**, in the following form and style with the heading in no less than 12-point bold type and the body in no less 10-point regular type:

**ADDITIONAL PUBLIC COMMENT MEETINGS TO BE HELD ON
SOUTHWEST GAS CORPORATION'S RATE APPLICATION
DOCKET NO. G-01551A-19-0055**

Summary

On May 1, 2019, Southwest Gas Corporation ("SWG" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a permanent gross revenue increase. On October 24, 2019, the Company filed an amendment to its application to include additional post-test year plant in rate base. The application, as amended, proposes a revenue increase of approximately \$93 million, or approximately 13.34 percent over current revenues. Under SWG's proposal, the residential basic service charge would remain \$10.70 per month; however, the monthly bill for a single-family residential customer with an average monthly usage of 24 therms would increase by \$7.01, from \$36.16 to \$43.17.

Although the evidentiary hearing in this matter concluded on July 10, 2020, the Commission desires to provide affected persons with additional opportunities to comment on the case. The Commission is not bound by the proposals made by SWG, the Commission's Utilities Division, or any Intervenors. The Commission will determine the appropriate relief to be granted in response to SWG's application based on the evidence presented in this matter. **The final rates approved by the Commission may be higher, lower, or different than the rates proposed by SWG or by other parties.**

How You Can View or Obtain a Copy of the Application

Copies of the application are available from SWG [COMPANY INSERT HOW AND WHERE AVAILABLE]; at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and the Commission's office at 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission's website (www.azcc.gov) using the e-Docket function. During the COVID-19 pandemic, access to SWG and Commission offices may be restricted.

All documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission's website (www.azcc.gov) using the e-Docket function and Docket No. G-01551A-19-0055.

⁶ If a caller cannot be sufficiently understood to make an accurate transcription, the caller will be requested to file written comments in the docket.

ADDITIONAL TELEPHONIC PUBLIC COMMENT MEETINGS

The Commission has scheduled additional **telephonic public comment meetings** to be held as follows:

Date	Time
Monday, November 9 , 2020	6:00 p.m. to 8:30 p.m., or until the last caller is finished speaking, whichever comes first
Saturday, November 14 , 2020	10:00 a.m. to 12:30 p.m., or until the last caller is finished speaking, whichever comes first

To provide telephonic public comments, call **1-866-705-2554** and enter this code: **241497#**

The Commission will impose a **three-minute time limit per speaker**, to maximize the number of callers who have an opportunity to speak. That time limit may be extended by the presiding Administrative Law Judge.

There may be a significant wait time to speak, and callers will be muted until it is their turn to speak. However, once placed into the proceeding, callers will be able to hear the comments of other callers through the phone line. Callers should turn off their computer audio during the public comment meeting, as the **live stream on www.azcc.gov is delayed by 28 seconds** and may cause feedback when it is the caller's turn to speak.

The Commission encourages callers to **use landline telephones** for the telephonic public comment meetings, as mobile telephones do not consistently provide adequate audio quality to permit the verbatim transcription of telephonic speech. If a caller cannot be sufficiently understood to make an accurate transcription, the caller will be requested to file written comments in the docket.

Each telephonic public comment meeting will end when the last caller on the telephone line has had an opportunity to speak or at the designated end time, whichever occurs first.

Written public comments may be submitted by mailing a letter referencing Docket No. G-01551A-19-0055 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) using "Cases and Open Meetings" and "Make a Public Comment in a Docket." For assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation, as well as request this document in an alternative format, by contacting the ADA Coordinator, Carolyn Buck, E-mail CDBuck@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that **Southwest Gas Corporation** shall cause the above notice to be **published** at least once in a newspaper of general circulation in its affected service territories, with publication to be completed no later than **October 28, 2020**.

IT IS FURTHER ORDERED that **Southwest Gas Corporation** shall post the above notice in a **prominent location** on its **website**, with posting to be completed no later than **October 21, 2020**. Southwest Gas Corporation shall post the notice on its website in accordance with the following requirements:

- The link to the public notice shall be displayed as “**Notice of Additional Public Comment Meetings on Rate Case in Arizona**,” and
- The link to the public notice shall be **prominently viewable on the main page** of the SWG website (www.swgas.com) **without scrolling down on the page** (i.e., posted at or near the location in which the following link currently appears: “Assistance & Flexible Payment Options”).

IT IS FURTHER ORDERED that **Southwest Gas Corporation** shall, through its official Twitter account (twitter.com/SWGas), issue an initial public tweet to its social media followers sharing a link to the notice posted on its website, with the tweet to be issued no later than **October 21, 2020**. The link to the public notice contained in the public tweet shall be displayed as “**Notice of Additional Public Comment Meetings on Rate Case in Arizona**.”

IT IS FURTHER ORDERED that **Southwest Gas Corporation** shall cause the initial public tweet discussed above to be **retweeted** on the day before, and on the day of, each public comment meeting scheduled herein.

IT IS FURTHER ORDERED that **Southwest Gas Corporation** shall file **certification** that the above notice was published, posted, tweeted, and retweeted, in the manner described herein, no later than **November 18, 2020**.

IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Commission’s website** for information regarding **Global Consent to Email Service⁷ and how to Follow the Docket⁸**.⁸ Information regarding Global Consent to Email Service and how to Follow the Docket is available on the Commission’s website (www.azcc.gov) by clicking on “**Cases and Open Meetings**” and then clicking on “**Globally Consent to Email Service**” or “**Follow a Docket or**

⁷ Global Consent to Email Service allows a party to consent to receive email service in all cases for which the party is included on the service list, now or in the future.

⁸ The “Follow a Docket” service allows any person to receive email notice, with a link to the filing, whenever something is filed in the docket. The service can be used to follow one or many dockets.

1 **Document Type.”**

2 IT IS FURTHER ORDERED that **documents may be eFiled** in this docket and that instructions
3 and restrictions for eFiling are available on the Commission’s website at <http://azcc.gov/hearing/efile->
4 [for-utilities-instruction](http://azcc.gov/hearing/efile-for-utilities-instruction).

5 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
6 31, 38, 39, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

7 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
8 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona
9 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings
10 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for
11 discussion, unless counsel has previously been granted permission to withdraw by the Administrative
12 Law Judge or the Commission.

13 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 – Unauthorized
14 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision
15 in this matter is final and non-appealable.

16 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
17 pursuant to Rule 6(a)(2) or (c) of the Arizona Rules of Civil Procedure.

18 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or
19 waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
20 hearing.

21 DATED this 14th day of October, 2020.

22
23 
24 SCOTT M. HESLA
25 ADMINISTRATIVE LAW JUDGE
26
27
28

On this 14th day of October, 2020, the foregoing document was filed with Docket Control as a Procedural Order – Sets a Public Comment Meeting, and copies of the foregoing were mailed on behalf of the Hearing Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

Catherine M. Mazzeo
 Kyle O. Stephens
 Andrew V. Hall
 SOUTHWEST GAS CORPORATION
 5241 Spring Mountain Road
 Las Vegas, NV 89150
 Attorneys for Southwest Gas Corporation
catherine.mazzeo@swgas.com
kyle.stephens@swgas.com
andrew.hall@swgas.com
matt.derr@swgas.com

Consented to Service by Email

Richard Gayer
 526 West Wilshire Drive
 Phoenix, AZ 85003
rgayer@cox.net


Consented to Service by Email

Robert J. Metli
 MUNGER CHADWICK & DENKER PLC
 2999 N. 44th Street, Suite 130
 Phoenix, AZ 85018
 Attorney for Arizona Grain, Inc.
rjmetli@mcdplc.com

Consented to Service by Email

Craig A. Marks
 CRAIG A. MARKS PLC
 10645 N. Tatum Blvd., Suite 200-676
 Phoenix, AZ 85028
 Attorney for Arizona Grain, Inc.
tdickey@vmiholdings.com
CraigAMarksPLC@gmail.com

Consented to Service by Email

By: 
 Grace Beltran
 Assistant to Scott M. Hesla

Michael Patten
 SNELL & WILMER LLP
 One Arizona Center
 400 E. Van Buren Street
 Phoenix, AZ 85004
 Attorney for NatureSweet USA, LLC
mpatten@swlaw.com
jthomes@swlaw.com
docket@swlaw.com

Consented to Service by Email

Steve Wene
 MOYES SELLERS & HENDRIKS LTD.
 1850 N. Central Ave., Suite 1100
 Phoenix, AZ 85004
 Attorney for the City of Bullhead City
swene@law-msh.com
docket@law-msh.com

Consented to Service by Email

Daniel Pozefsky, Chief Counsel
 Residential Utility Consumer Office
 1110 West Washington Street, Suite 220
 Phoenix, AZ 85007
dpozefsky@azruco.gov
procedural@azruco.gov
jfuentes@azruco.gov
cfraulob@azruco.gov

Consented to Service by Email

Robin Mitchell, Director
 Legal Division
 ARIZONA CORPORATION COMMISSION
 1200 West Washington Street
 Phoenix, AZ 85007
LegalDiv@azcc.gov
utildivservicebyemail@azcc.gov

Consented to Service by Email

COASH & COASH, INC.
 Court Reporting, Video and
 Videoconferencing
 1802 North 7th Street
 Phoenix, AZ 85006
Emailed as a courtesy